

Note: All sections are required. Incomplete forms will be returned to department.

CHECK ONLY ONE BOX IF APPLICABLE:

**I. CONTRACT INFORMATION:**☐ ARRA Contract☐ ACA Contract

Agency/Department: AHS/ DVHA Contract #: 20679 Amendment #: 6  
 Vendor Name: Catamaran PBM of Massachusetts, Inc. f/k/a MedMetrics VISION Vendor No: 307204  
 Acquisition Corp.  
 Vendor Address: 2441 Warrenville Road, Suite 610, Lisle, Illinois 60532-3642  
 Starting Date: 11/1/2005 Ending Date: 12/31/2014 Amendment Date: ~~11/1/2012~~ 12/11/2012 EB  
 Summary of agreement or amendment: Amendment extends the contract date and adds funding for service through December of 2014 and adds an e-prescribing initiative.

**II. FINANCIAL INFORMATION**

Maximum Payable: \$32,597,962 Prior Maximum: \$ 21,316,026 Prior Contract # (If Renewal): 9097  
 Current Amendment: \$11,281,936 Cumulative amendments: \$ 24,279,338 % Cumulative Change: 291.87 %  
 Business Unit(s): 03410 VISION Account: 507600

**III. PERFORMANCE INFORMATION**

Does this Agreement include Performance Measures tied to Outcomes and/or financial reward/penalties? ☒ Yes ☐ No

Estimated Funding Split: G-Fund % S-Fund % F-Fund % GC-Fund 100.00 % Other %

**IV. PUBLIC COMPETITION**

The agency has taken reasonable steps to control the price of the contract or procurement grant and to allow qualified organizations to compete for the work authorized by this contract. The agency has done this through:

☒ Standard bid or RFP ☐ Simplified Bid ☐ Sole Sourced ☐ Qualification Based Selection ☐ Statutory

**V. TYPE OF AGREEMENT & PERFORMANCE INFORMATION**

Check all that apply: ☐ Service ☒ Personal Service ☐ Architect/Engineer ☐ Construction ☐ Marketing  
☐ Information Technology ☐ Other, describe:

**VI. SUITABILITY FOR CONTRACT FOR SERVICE**

☒ Yes ☐ No ☐ n/a If this is a Personal Service contract, does this agreement meet all 3 parts of the "ABC" definition of independent contractor? (See Bulletin 3.5) If NO, then contractor must be paid through Payroll

**VII. CONFLICT OF INTEREST**

By signing below, I certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.

☐ Yes ☒ No Is there an "appearance" of a conflict of interest so that a reasonable person may conclude that this party was selected for improper reasons: (If yes, explain)

**VIII. PRIOR APPROVALS REQUIRED OR REQUESTED**

☒ Yes ☐ No Agreement must be approved by the Attorney General under 3 VSA §311(a)(10) (personal service)  
☐ Yes ☒ No I request the Attorney General review this agreement as to form  
 No, already performed by in-house AAG or counsel: \_\_\_\_\_ (initial)  
☒ Yes ☐ No Agreement must be approved by the Comm. of DII; for IT hardware, software or services and  
 Telecommunications over \$100,000  
☐ Yes ☒ No Agreement must be approved by the CMO; for Marketing services over \$15,000  
☐ Yes ☒ No Agreement must be approved by Comm. Human Resources (privatization and retiree contracts)  
☒ Yes ☐ No Agreement must be approved by the Secretary of Administration

**IX. AGENCY/DEPARTMENT HEAD CERTIFICATION; APPROVAL**

I have made reasonable inquiry as to the accuracy of the above information:

Date 10/1/12 Agency / Department Head Date 11/9/12 Agency Secretary or Other Department Head (if required)

Date 10/12/12 Approval by Attorney General Date Approved by Commissioner of Human Resources

Date 11/26/12 CIO Date Secretary of Administration

11/7/12

NOV 26 2012





Department of Vermont Health Access  
312 Hurricane Lane, Suite 201  
Williston, VT 05495  
www.dvha.vermont.gov



Received in BO

DEC 11 2012

BO Attached  
[Phone] 802-879-5900

# MEMORANDUM

**TO:** Jeb Spaulding; Secretary - AOA

**THROUGH:** Douglas Racine; Deputy Secretary, AHS

**FROM:** Mark Larson; Commissioner - DVHA

**DATE:** October 30, 2012

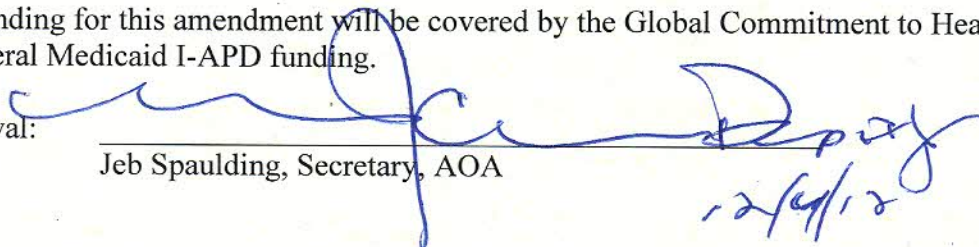
**SUBJECT:** Approval for Amendment #6 – Catamaran PBM of Massachusetts, Inc. f/k/a MedMetrics Acquisition Corp. Contract # 20679 Current Duration: 11/01/2005 – 12/31/2012  
Current Value: \$ 21,316,026 Proposed Value: \$ 32,597,962

The Department of Vermont Health Access is currently in the sixth year of a contract with Catamaran PBM of Massachusetts, Inc. f/k/a MedMetrics Acquisition Corp. to provide pharmacy benefit management services to citizens enrolled in Vermont's publicly funded health care programs. The services that Catamaran provides includes claims management; consulting and management of benefit design; utilization review and management; supplemental rebate management; analysis and reporting; managing our preferred drug list; managing specialty pharmacy services; and supporting our Drug Utilization Review Board.

This amendment adds funding for two additional years of services, including funding for electronic Coordination of Benefits (e-COB). We have worked cooperatively with MHP and have been continually impressed with their willingness to adapt to our programs, take on special projects, and their level of service. We have faith in their ability to continue this level of service and facilitate e-prescription services for DVHA and for the people of Vermont.

Since Amendment #5, MHP was acquired by Catamaran, and a vendor account change was necessary in VISION. The new contract number is 20679, although technically speaking this is Amendment #6 to contract 9097. DVHA plans to address performance measures in the upcoming transition of pharmacy services into a new MMIS (Medicaid Management Information System.) In amendment #5 we extended the term length with the expectation of issuing an RFP for this service. The transition of many of DVHA's existing contracted services is dependent on the aforementioned MMIS provider. The planned issuing date for this RFP has been extended again until late 2013. We understand that a prior extension was granted for the same reason, but unforeseen circumstances has pushed back the release date of the RFP for a new, all-inclusive MMIS provider. We have been very pleased with the MHP's performance over the last seven years in the absence of performance measures.

The funding for this amendment will be covered by the Global Commitment to Health Appropriations, as well as Federal Medicaid I-APD funding.

Approval:   
Jeb Spaulding, Secretary, AOA



**AMENDMENT**

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the "State") and Catamaran PBM of Massachusetts, Inc. f/k/a MedMetrics Acquisition Corp. (hereafter called the "Contractor") that the Personal Services Contract on the subject of pharmacy benefits management, effective November 1 2005, is hereby amended effective December 11, 2012 as follows:

**By deleting on page 39 of 65 in the base agreement, Section 1 (Payments and Contract Amount) in its entirety, and substituting in lieu thereof the following Section 1:**

"1. Contract Amount

The maximum amount payable under this Contract is \$32,597,962"

**By deleting on page 41 of 65 of Attachment B (Payment Provisions) in the base agreement, the following language:**

"Unexpended funds in any given State Fiscal Year (SFY) shall be carried forward into the next SFY so long as the Maximum Total Amount for the length of the contract does not exceed \$8,318,624. In the event of appreciable decreases or increases in volume, caseload, or costs, the State and the Contractor may by mutual agreement amend the amount of this Contract."

**By deleting the following language from Section 1 of Amendment #5 on page 1 of 9:**

"The period of the Contractor's performance shall begin November 1, 2005 and ends on December 31, 2012."

**And substituting in lieu thereof the following language:**

"The period of the Contractor's performance shall begin November 1, 2005 and ends on December 31, 2014."

**By deleting the attachment reference to Attachment D in Section 8 on the first page of the base agreement, and substituting in lieu thereof the following Attachment reference:**

**Attachment D – Modifications of Customary Provisions**

**By adding the following language to Attachment A - Specifications of Work to be Performed:**

**XXX. Electronic Prescribing**

The Contractor will make Pharmacy Benefit Eligibility, Medication History and Formulary information available through its existing infrastructure and the network exchange services that the Contractor receives from AllScripts Healthcare Solutions, Inc. ("Allscripts") and SureScripts, LLC ("SureScripts").

At the direction of the State, the Contractor will:

- a. Implement transmission of weekly batch files of current Eligibility to Allscripts and SureScripts
- b. Implement transmission of weekly batch files of current Formularies to Allscripts and SureScripts.
- c. Process and respond to electronic Beneficiary Eligibility requests for both Allscripts and SureScripts.
- d. Process and respond to electronic Medication History requests for both Allscripts and SureScripts.
- e. Medication History response will include all adjudicated claims for that beneficiary within the past 12 months for MEDS transactions, and all adjudicated claims for that beneficiary within the past two years for "PRN" transactions.
- f. Process and respond to Formulary requests and including alternatives for both Allscripts and SureScripts.
- g. The State will only be charged for one eligibility request per beneficiary, per 48-hour period.
- h. The Contractor will develop a process by which all transactions can be reasonably verified to be accurate. A report will be delivered to the State monthly that outlines at a minimum the numbers and types of transactions, originating providers, their address, and specific beneficiary identifying information upon which the requested transaction was based. This shall be contingent on the integrity of the data that is transferred to Contractor.

### **XXXI. Third-Party Liability**

#### **Third-Party Liability/Enhanced Coordination of Benefits for Pharmacy Claims**

The Contractor shall obtain current information regarding beneficiaries' other pharmacy benefit insurance coverage and perform semi-monthly updates to a third-party liability (TPL) file created by the Contractor and/or its third party providers (the "Contractor TPL File"). In the event that the State supplies TPL data that is different from the data in the TPL File ("State TPL Data"), Contractor shall not modify such State TPL Data and the State TPL Data will be utilized before the Contractor TPL File during claims processing.

The Contractor or Contractor's subcontractor TPL File shall then be used to enable the claims processing system (the "System") to validate pharmacy claims to determine whether there is a liable third party. In situations where other insurance coverage is detected for the date of service, a TPL edit will be generated in the system prompting the provider to process the pharmacy claim through other existing third-party coverage prior to processing the pharmacy claim through the State.

The following information shall be included in the adjudication system's messaging, when available: Bank Identification Number (BIN), Processor Control Number (PCN), Group Number, Cardholder ID, and Helpdesk Phone Number (for the applicable payer where the pharmacy claim should be sent).

The system shall (i) have the capability to process pharmacy claims where there may be more than one liable third party, (ii) be configurable to allow the State to price third-party pharmacy claims in the



event that the applicable third party pays more than or less than the maximum amount allowed by the State, and (iii) allow providers to override the TPL edit with the use of standard Other Coverage Code (OCC) overrides during adjudication in accordance with State policies.

Providers shall be educated by the Contractor regarding proper billing practices and carrier codes associated with the NCPDP D.0 claim transaction. The Contractor and the system shall comply with state and federal laws and regulations, including HIPAA and other applicable federal and State privacy laws, and the State's rules regarding enhanced coordination of benefits and third-party liability. The State shall be the payer of last resort.

Prior to implementation of the Contractor TPL File, Contractor shall provide the State with an implementation plan that shall include, but not be limited to: (a) analysis of the State's data against the updated Contractor TPL file, reflecting the percentage of beneficiaries determined to have third-party coverage; (b) plan for testing and validation of appropriate adjudication of pharmacy claims against TPL data supplied by the State, if applicable, and the Contractor TPL File along with utilization of OCC override codes; and (c) plan for provider education.

The Contractor shall provide the State with monthly TPL reports that, at a minimum, include the following information: (a) number of pharmacy claims hitting the TPL edit; (b) total amount submitted for claims hitting the TPL edit; (c) number of pharmacy claims hitting the TPL edit that went on to be paid (either in part or in full) by the State; (d) final amount paid on pharmacy claims hitting the TPL edit; and (e) number of pharmacy claims processed with each type of OCC override. In addition, for each beneficiary identified through the TPL process, the Contractor will provide at a minimum the beneficiary name, and beneficiary ID (Unique ID or SSN). In the event that the State requires reports on a more frequent basis, the State and Contractor shall mutually agree to the additional fees for such more frequent reports.

In exchange for the Contractor providing the enhanced coordination-of-benefit services described in this Section XXXI (Third Party Liability/Enhanced Coordination of Benefits for Pharmacy Claims), the Contractor shall receive payment in the amount of thirty percent (30%) of actual Cost Avoidance Savings (the "Service Fees"). Payment of the Service Fees shall be made by the State to Contractor within thirty (30) days of the date of the Contractor's invoice. Actual Cost Avoidance Savings shall be determined in arrears on a monthly basis by pharmacy claim-level reporting. Savings shall be calculated only from the TPL File for pharmacy claims where the TPL edit was the sole reason for the pharmacy claim denial and/or where the TPL File was utilized to reduce the amount of the State's liability for the claim. For the purposes of this Amendment, "Cost Avoidance Savings" means the difference between the calculated allowed amount of a pharmacy claim and the actual benefit amount paid by the State on such pharmacy claim. The look-back for reconciliation of the Service Fee is 14 days, after that time the contractor will not recalculate the service fee even if the status of the claim changes due to a reversal or resubmission of the claim for any reason. The Contractor will supply sufficient claim-level detail to support the Cost Avoidance Savings calculation. The SXC TPL Service Fee charges will be included on the Monthly Client Invoice as a separate line item and will be subject to the same payment terms. If a dispute arises and an error has been made by the contractor, an offset can be provided in the future.

The enhanced coordination-of-benefits services provided by the Contractor to the State under the Agreement shall only cover pharmacy claims adjudicated under USC Title 42 and otherwise allowed under applicable federal and state law.

The cumulative liability of the Contractor to the State for any actual or alleged damages arising out of or relating to the enhanced coordination-of-benefit services provided hereunder, whether based upon breach of contract, tort (including negligence), warranty or any other legal theory, shall not exceed the amount of service fees paid by the State for the applicable enhanced coordination-of-benefit service involved for three months prior to the date of the State's claim.

In no event shall the Contractor be liable for any indirect, special, incidental, consequential, punitive, or exemplary damages (including damages related to delays, loss of data, interruption of service or loss of business or profits or revenue), even if the Contractor has been advised of the possibility of such damages.

All ownership of and title to the information contained in the Contractor TPL File belongs to the Contractor and its suppliers. The State shall not copy, distribute, publicly display, modify, use or otherwise create derivative works from the Contractor TPL File without the advanced written approval of the Contractor.

**By deleting the following language in Section 3 of Amendment #5 on page 2 of 9:**

"The maximum amount payable from the date of execution of the Contract through the period ending December 31, 2012 is \$21,316,026."

**And substituting in lieu thereof the following language:**

"The maximum amount payable from the date of execution of the Contract through the period ending December 31, 2014 is \$32,597,962 .

**By deleting the "Implementation and Operating Costs" table on page 3 through 9 of Amendment #5, and substituting in lieu thereof the following table:**



Implementation and Operating Costs

Item #	Type of Service	Basis of Cost	Costs		Implement- t-ation Costs	Operation s Costs	Total Year 1 1/1/06- 10/31/06	Operation s Year 2 11/01/06 - 10/31/07	Operation s Year 3 11/01/07 - 10/31/08	Operation s Year 4 11/01/08 - 10/31/09	Operation s Year 5 11/01/09 - 10/31/10	Operation s Year 6 11/01/10 - 10/31/11	Operations Year 7 11/01/11 - 10/31/12	Operations Year 8 11/01/12 - 10/31/13	Operations Year 9 11/01/13 - 10/31/14	Operation s Year 10 11/1/14 - 12/31/14	Grand Total
			Unit Costs	Per Month													
1	Claims processing (on-line and batch, with all pricing including MAC, including COB)	Per month cost	N/A	N/A	\$892,500		\$577,083	\$720,200	\$749,008	\$778,968	\$810,127	\$735,936	\$786,471	\$802,200	\$818,244	\$139,102	\$7,494,422
			Monthly based on \$ M; \$14 <= 2M; \$13 > 2M <= 3.5M; \$12 > 3.5M <= 5M; \$11 > 5M														
2	Claims processing – Keying paper claims	Per month cost	N/A	N/A	\$7,125		\$5,937	\$7,410	\$7,706	\$8,015	\$8,335	\$5,187	\$5,543	\$5,654	\$5,767	\$980	\$66,471
			Annual based on 10,000 Annual; \$75 <= \$250; \$70 <= 500 <= 7,499; \$65 > 7,500 <= 9,999; \$60 > 9,999 <= 13,000														
			Plus \$65/year for years 2-5														
3	Medicare Part D claims	Per month cost					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			Claims involving Medicare Part D will be included in the claims count identified in items 1 and 2 of this section														
4	Auditing	Per one-time audit	\$1,500	N/A	\$22,500		\$0	\$18,750	\$23,400	\$24,336	\$25,309	\$26,322	\$4,635	\$4,650	\$4,650	\$775	\$156,227
			Assumes 15 days on site plus \$65/year for years 2-5														
5	Drug coverage management (Preferred Drug List), including P & T Committee support	Per month cost	N/A	\$6,125	\$73,500		\$0	\$61,250	\$79,498	\$82,678	\$85,985	\$85,703	\$85,985	\$85,985	\$85,985	\$14,331	\$805,090
			Plus \$65/year for years 2-3														
			N/A	\$400	\$4,800		\$0	\$0	\$0	\$4,800	\$4,800	\$3,944	\$3,957	\$3,957	\$3,957	\$660	\$26,075
			Up to \$400/month for additional committee support costs limited to actual costs.														
6	Analysis and reporting – standard and decision support ad hoc capabilities	Per month cost	N/A	\$1,885	\$22,620		\$0	\$18,850	\$23,525	\$24,466	\$25,444	\$26,374	\$26,462	\$26,462	\$26,462	\$4,410	\$247,767
			Plus \$65/year for years 2-3														
7	Connectivity Fee			\$300	\$3,600		\$0	\$3,000	\$3,744	\$3,894	\$4,050	\$4,198	\$4,212	\$4,212	\$4,212	\$702	\$39,435
			Plus \$65/year for years 2-5														
8	RxTrack Cognos (10 Licenses)	Per license per month	\$750	\$7,500	\$90,000		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	RxTrack Showcase (4 licenses)	Per license per month	\$200	\$1,200	\$4,800		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			Year 2: \$200/month \$ users 4 months														
			\$225	\$1,100	\$14,100		\$0	\$0	\$12,980	\$14,726	\$15,315	\$15,265	\$15,315	\$15,315	\$15,315	\$2,553	\$106,784



STATE OF VERMONT  
AMENDMENT TO PERSONAL SERVICES CONTRACT  
CATAMARAN PBM OF MASSACHUSETTS, INC.  
AMENDMENT #6

CATAMARAN PBM OF MASSACHUSETTS, INC.																
AMENDMENT #6																
Year 3 and after \$20/month/4 users; plus 4%/year for years 4-5																
10	Supplemental rebate negotiations, rebate management and disputes and collection	Per month cost	N/A	\$5,500	\$78,000											
		Plus 4%/year for years 2-5														
11	Non-Medicaid State program rebate negotiations, rebate management and disputes and collections	Per month cost	N/A	\$6,500	\$78,000											
		Plus 4%/year for years 2-5														
12	Drug Utilization Review, including DUR Board support for all beneficiaries except AMAP, GA, and HVP	Per month cost	N/A	\$3,854	\$107,448											
		Plus 4%/year for years 2-5														
13	Utilization management for all beneficiaries except AMAP, GA, and HVP	Per month cost	N/A	\$8,125	\$73,500											
		Plus 4%/year for years 2-5														
14	Clinical detailing	Per month cost	N/A	\$5,250	\$75,000											
		Plus 4%/year for years 2-5														
15	Disease management for all beneficiaries except AMAP, GA, and HVP	Per month cost	N/A	\$6,125	\$73,500											
		Plus 4%/year for years 2-5														
16	Prior authorization	Per month cost	N/A	\$21,833	\$261,996											
		Plus 4%/year for years 2-5														
17	Telephone support - Pharmacy providers and prescribers	Per month cost	N/A	\$16,666	\$199,992											
		Plus 4%/year for years 2-5														



[illegible]



STATE OF VERMONT  
AMENDMENT TO PERSONAL SERVICES CONTRACT  
CATAMARAN PBM OF MASSACHUSETTS, INC.  
AMENDMENT #6

26	VT Emergency Dept Medication History Project		N/A	N/A	\$2,200	One-time implementation - \$9,200; up to \$1,000 each for up to 7 test files for ongoing submittals; up to \$1,040 for up to 1 subsequent test file; \$2.25 per transaction for up to 10,350 transactions and \$2.25 per transaction for up to 4,650 transactions for test transactions. Estimated 155,000 transactions through October 31, 2009; \$2.25 per transaction, assuming that as annual transactions until other hospitals enroll.										\$17,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,240			
						N/A																					
						Up to 12 monthly file submittals per contract year, plus 46/year for years 4-5																					
						N/A																					
27	Additional Clinical Services & Case Reviews	Per hour cost	N/A	N/A	\$150	\$150/hour up to a maximum of 180 hours/year, plus 46/year for year 5										\$15,600	\$15,600	\$15,600	\$15,600	\$2,600	\$95,600						
						N/A																					
28	Generic Drug Voucher Program		N/A	N/A	\$150,000	One-time initiation implementation fees for eligibility/claims extract coding changes and creation/population of reports										\$0	\$0	\$0	\$0	\$0	\$0	\$150,000					
						N/A																					
29	Provider Recovery Services		N/A	N/A	\$45,000	Total costs not to exceed \$45,000 to be paid in three equal payments after the completion of each of three described phases of work										\$0	\$0	\$0	\$0	\$0	\$0	\$45,000					
						N/A																					
Section 3	Other - Development, Implementation, & Training		N/A	\$133,333	\$400,000	One-time development and implementation Year 1 only										\$400,000	\$0	\$0	\$0	\$75,000	\$12,500	\$1,112,253	\$0				
						Replacement of VTL Pilot beginning 7/1/12. Up to 12 monthly file submittals per contract year.																					
30	E-Prescribing/Electronic Eligibility Request/Electronic Medication History Requests (See Section XXV of Contract)		N/A	\$1,500	\$18,000	Beginning 7/1/11: Per-transaction costs through Allscripts and SureScripts. Allscripts completed electronic prescriptions: \$0.10; SureScripts completed electronic prescriptions: \$0.20; SureScript medication history requests: \$0.10.										\$0	\$0	\$0	\$0	\$0	\$0	\$18,000	\$3,000	\$45,000			
						N/A																					
						N/A																					
						N/A																					
31	IT/ECOB (See Section XXX of Contract)		N/A	N/A	N/A	Beginning July 1, 2012: Third-Party Liability / Enhanced Coordination of Benefits Services										\$2,057,417	\$2,794,134	\$2,906,592	\$3,282,900	\$3,214,279	\$2,979,678	\$3,269,415	\$4,204,770	\$710,200	\$1,639,917	\$32,597.96	2
						N/A																					
						N/A																					
						N/A																					
		Grand Total																									



By deleting on pages 49-52 of 65 in the base agreement, Attachment C (Customary Provisions for Contracts and Grants) and substituting in lieu thereof the following Attachment C:

**ATTACHMENT C  
CUSTOMARY PROVISIONS FOR CONTRACTS AND GRANTS**

1. **Entire Agreement.** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If appropriations are insufficient to support this Agreement, the State may cancel on a date agreed to by the parties or upon the expiration or reduction of existing appropriation authority. In the case that this Agreement is funded in whole or in part by federal or other non-State funds, and in the event those funds become unavailable or reduced, the State may suspend or cancel this Agreement immediately, and the State shall have no obligation to fund this Agreement from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The Party shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this Agreement.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.



The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverage is in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

**Workers Compensation:** With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

**General Liability and Property Damage:** With respect to all operations performed under the Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability

Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence

\$1,000,000 General Aggregate

\$1,000,000 Products/Completed Operations Aggregate

\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

**Automotive Liability:** The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

**Professional Liability:** Before commencing work on this Agreement and throughout the term of this Agreement, the Party shall procure and maintain professional liability insurance for any and all services performed under this Agreement, with minimum coverage of \$N/A per occurrence, and \$N/A aggregate.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and if this Subrecipient expends \$500,000 or more in federal



assistance during its fiscal year, the Subrecipient is required to have a single audit conducted in accordance with the Single Audit Act, except when it elects to have a program specific audit.

The Subrecipient may elect to have a program specific audit if it expends funds under only one federal program and the federal program's laws, regulating or grant agreements do not require a financial statement audit of the Party.

A Subrecipient is exempt if the Party expends less than \$500,000 in total federal assistance in one year.

The Subrecipient will complete the Certification of Audit Requirement annually within 45 days after its fiscal year end. If a single audit is required, the sub-recipient will submit a copy of the audit report to the primary pass-through Party and any other pass-through Party that requests it within 9 months. If a single audit is not required, the Subrecipient will submit the Schedule of Federal Expenditures within 45 days. These forms will be mailed to the Subrecipient by the Department of Finance and Management near the end of its fiscal year. These forms are also available on the Finance & Management Web page at: <http://finance.vermont.gov/forms>

10. **Records Available for Audit:** The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.
11. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
12. **Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
13. **Taxes Due to the State:**
  - a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
  - b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
  - c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or



in full compliance with a plan to pay any and all taxes due to the State of Vermont.

- d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

**14. Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

**15. Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of his Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

Notwithstanding the foregoing, the State agrees that the Party may assign this agreement, including all of the Party's rights and obligations hereunder, to any successor in interest to the Party arising out of the sale of or reorganization of the Party.

**16. No Gifts or Gratuities:** Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

**17. Copies:** All written reports prepared under this Agreement will be printed using both sides of the paper.

**18. Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

**19. Certification Regarding Use of State Funds:** In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

By deleting on page 53 of the base agreement, Attachment D (Certificate of Insurance) in its entirety and substituting in lieu thereof the following Attachment D:



**ATTACHMENT D**

**MODIFICATION OF CUSTOMARY PROVISIONS**

**1. The insurance requirements contained in Attachment C, Section 7 are hereby modified:**

N/A

**2. Requirements of Attachment E are hereby modified:**

All references to "three business days" shall be deleted and replaced with "five business days." Subsequently, all references to "three (3) business days" shall be deleted and replaced with "five (5) business days".

**3. Requirements of Sections in Attachment F are hereby modified:**

The following language will be inserted after the phrase "(including other archival backups)" in Section 11 (Security and Data Transfers) :

"except as otherwise required under law,"

By deleting Section 10 (Intellectual Property/Work Product Ownership) of Attachment F in its entirety, and substituting in lieu thereof the following Section 10:

"Subject to State's payment of the applicable fees, State shall have a license to use the object code versions of the Deliverables solely in conjunction with the Application during the Term. Subject to State's ownership in all of State's Confidential Information, software code or other materials provided to Contractor by State and unless otherwise provided in a statement of work, all other rights, title and interest in and to the Deliverables, and related intellectual property rights, remain and/or vest with Catamaran. State acknowledges and agrees that all intellectual property rights to Catamaran software, documentation, and other work product made before the Agreement, including but not limited to the Catamaran Systems and any related enhancements shall be owned by Catamaran. Copyrights to any derivative works of the Catamaran Systems and/or enhancements created, developed, or conceived by State shall be owned by the State.

Each Party will retain all right, title, and interest in and to its own Pre-Existing Intellectual Property irrespective of any disclosure of such Pre-Existing Intellectual Property to the other party. "Pre-Existing Intellectual Property" means any Intellectual Property of a party existing prior to the commencement of any work performed pursuant to the Agreement and all Intellectual Property that is conceived or developed outside of the scope of this Agreement without the use of the other party's confidential information or materials. "Intellectual Property" or "Intellectual Property Rights" means any ideas, whether or not patentable, inventions, discoveries, processes, works of



authorship, software object code, software source code, marks, names, know-how, and any and all rights in such materials throughout the world, whether existing under statute, common law or equity, now or hereinafter recognized, including but not limited to (a) patents, designs, inventor's certificates, utility models, copyrights, moral rights, trade secrets, mask works, trade names and marks, service marks, trade dress, domain names and know-how, and (b) any application or right to apply for any of the rights referred to in (a) and (c) above all renewals, extensions, and restorations, now or hereafter in force and effect for any of the rights referred to in (a) above."

#### 4. Reasons for Modifications:

Contractor would like an extension of PHI breach notification periods to a more acceptable standard to their operations, and additional protections for PHI data transfers. Language concerning intellectual property was modified for Catamaran's work products.

#### Approval:

E-SIGNED by Seth Steinzor  
on 2012-Dec-18

Assistant Attorney General: \_\_\_\_\_

Date: \_\_\_\_\_

2012-12-18 15:11:03 GMT

State of Vermont – Attachment D  
Revised AHS – 12-08-09

**By deleting on pages 54 through 58 of the base agreement, Attachment E (Business Associate Agreement) in its entirety, and substituting in lieu thereof the following Attachment E:**

#### **ATTACHMENT E BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement ("Agreement") is entered into by and between **the State of Vermont, operating by and through its Department of Vermont Health Access ("Covered Entity") and Catamaran PBM of Massachusetts, Inc. ("Business Associate") as of November 20, 2012 ("Effective Date")**. This Agreement supplements and is made a part of the Contract to which it is an attachment.

Covered Entity and Business Associate enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") including the Standards for the Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 ("Privacy Rule") and the Security Standards at 45 CFR Parts 160 and 164 ("Security Rule"), as amended by subtitle D of the Health Information Technology for Economic and Clinical Health Act.



The parties agree as follows:

1. **Definitions.** All capitalized terms in this Agreement have the meanings identified in this Agreement, 45 CFR Part 160, or 45 CFR Part 164.

The term "Services" includes all work performed by the Business Associate for or on behalf of Covered Entity that requires the use and/or disclosure of protected health information to perform a business associate function described in 45 CFR 160.103 under the definition of Business Associate.

The term "Individual" includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

The term "Breach" means the acquisition, access, use or disclosure of protected health information (PHI) in a manner not permitted under the HIPAA Privacy Rule, 45 CFR part 164, subpart E, which compromises the security or privacy of the PHI. "Compromises the security or privacy of the PHI" means poses a significant risk of financial, reputational or other harm to the individual.

2. **Permitted and Required Uses/Disclosures of PHI.**

- 2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services, as specified in the underlying contract with Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

- 2.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents (including subcontractors) in accordance with Sections 8 and 16 or (b) as otherwise permitted by Section 3.

3. **Business Activities.** Business Associate may use PHI received in its capacity as a "Business Associate" to Covered Entity if necessary for Business Associate's proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as "Business Associate" to Covered Entity for Business Associate's proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if (a) Business Associate obtains reasonable written assurances via a written agreement from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and (b) the person notifies Business Associate, within three business days (who in turn will notify Covered Entity within three business days after receiving notice of a Breach as specified in Section 5.1), in writing of any Breach of Unsecured PHI of which it is aware. Uses and disclosures of PHI for the purposes identified in this Section must be of the minimum amount of PHI necessary to accomplish such purposes.



4. **Safeguards.** Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. With respect to any PHI that is maintained in or transmitted by electronic media, Business Associate shall comply with 45 CFR sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards) and 164.316 (policies and procedures and documentation requirements). Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.

5. **Documenting and Reporting Breaches.**

5.1 Business Associate shall report to Covered Entity any Breach of Unsecured PHI as soon as it (or any of its employees or agents) become aware of any such Breach, and in no case later than three (3) business days after it (or any of its employees or agents) becomes aware of the Breach, except when a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security.

5.2 Business Associate shall provide Covered Entity with the names of the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of the Breach and any other available information that is required to be given to the affected individuals, as set forth in 45 CFR §164.404(c), and, if requested by Covered Entity, information necessary for Covered Entity to investigate the impermissible use or disclosure. Business Associate shall continue to provide to Covered Entity information concerning the Breach as it becomes available to it.

5.3 When Business Associate determines that an impermissible acquisition, use or disclosure of PHI by a member of its workforce does not pose a significant risk of harm to the affected individuals, it shall document its assessment of risk. Such assessment shall include: 1) the name of the person(s) making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons supporting the determination of low risk of harm. When requested by Covered Entity, Business Associate shall make its risk assessments available to Covered Entity.

6. **Mitigation and Corrective Action.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of an impermissible use or disclosure of PHI, even if the impermissible use or disclosure does not constitute a Breach. Business Associate shall draft and carry out a plan of corrective action to address any incident of impermissible use or disclosure of PHI. If requested by Covered Entity, Business Associate shall make its mitigation and corrective action plans available to Covered Entity.

7. **Providing Notice of Breaches.**

7.1 If Covered Entity determines that an impermissible acquisition, access, use or disclosure of PHI for which one of Business Associate's employees or agents was responsible constitutes a Breach as defined in 45 CFR §164.402, and if requested by Covered Entity, Business Associate shall provide notice to the individuals whose PHI was the subject of the Breach. When requested to provide notice, Business Associate shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. The cost of notice and related remedies shall be borne



by Business Associate.

- 7.2 The notice to affected individuals shall be provided as soon as reasonably possible and in no case later than 60 calendar days after Business Associate reported the Breach to Covered Entity.
- 7.3 The notice to affected individuals shall be written in plain language and shall include, to the extent possible, 1) a brief description of what happened, 2) a description of the types of Unsecured PHI that were involved in the Breach, 3) any steps individuals can take to protect themselves from potential harm resulting from the Breach, 4) a brief description of what the Business associate is doing to investigate the Breach, to mitigate harm to individuals and to protect against further Breaches, and 5) contact procedures for individuals to ask questions or obtain additional information, as set forth in 45 CFR §164.404(c).
- 7.4 Business Associate shall notify individuals of Breaches as specified in 45 CFR §164.404(d) (methods of individual notice). In addition, when a Breach involves more than 500 residents of Vermont, Business associate shall, if requested by Covered Entity, notify prominent media outlets serving Vermont, following the requirements set forth in 45 CFR §164.406.
8. **Agreements by Third Parties.** Business Associate shall ensure that any agent (including a subcontractor) to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity agrees in a written agreement to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. For example, the written contract must include those restrictions and conditions set forth in Section 14. Business Associate must enter into the written agreement before any use or disclosure of PHI by such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written agreement to Covered Entity upon request. Business Associate may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.
9. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or as directed by Covered Entity to an Individual to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.
10. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
11. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR



164.528. Business Associate shall provide such information to Covered Entity or as directed by Covered Entity to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.

12. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity upon Covered Entity's request in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.

13. **Termination.**

- 13.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 17.7.
- 13.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate this Contract without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate this Contract without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Contract, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

14. **Return/Destruction of PHI.**

- 14.1 Business Associate in connection with the expiration or termination of this Contract shall return or destroy all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this Contract that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.
- 14.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered



Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.

**15. Penalties and Training.** Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in training regarding the use, confidentiality, and security of PHI.

**16. Security Rule Obligations.** The following provisions of this Section apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

16.1 Business Associate shall implement and use administrative, physical, and technical safeguards in compliance with 45 CFR sections 164.308, 164.310, and 164.312 with respect to the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.

16.2 Business Associate shall ensure that any agent (including a subcontractor) to whom it provides Electronic PHI agrees in a written agreement to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written agreement before any use or disclosure of Electronic PHI by such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written agreement to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.

16.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide this written report as soon as it becomes aware of any such Security Incident, and in no case later than three (3) business days after it becomes aware of the incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.

16.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

**17. Miscellaneous.**

17.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract, the terms of this Agreement shall govern with respect to its subject



matter. Otherwise the terms of the Contract continue in effect.

- 17.2 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 17.3 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.
- 17.4 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule) in construing the meaning and effect of this Agreement.
- 17.5 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity.
- 17.6 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity or creates or receives on behalf of Covered Entity under this Contract even if some of that information relates to specific services for which Business Associate may not be a "Business Associate" of Covered Entity under the Privacy Rule.
- 17.7 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI as provided in Section 14.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 11 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.

(Rev: 1/31/11)

**By deleting on pages 59 through 63 of the base agreement, Attachment F in its entirety, and substituting in lieu thereof the following Attachment F:**

**ATTACHMENT F  
AGENCY OF HUMAN SERVICES' CUSTOMARY CONTRACT PROVISIONS**

1. **Agency of Human Services – Field Services Directors** will share oversight with the department (or field office) that is a party to the contract for provider performance using outcomes, processes, terms and conditions agreed to under this contract.
2. **2-1-1 Data Base:** The Contractor providing a health or human services within Vermont, or near the border that is readily accessible to residents of Vermont, will provide relevant descriptive information regarding its agency, programs and/or contact and will adhere to the



"Inclusion/Exclusion" policy of Vermont's United Way/Vermont 211. If included, the Contractor will provide accurate and up to date information to their data base as needed. The "Inclusion/Exclusion" policy can be found at [www.vermont211.org](http://www.vermont211.org)

**3. Medicaid Program Contractors:**

Inspection of Records: Any contracts accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid program must fulfill state and federal legal requirements to enable the Agency of Human Services (AHS), the United States Department of Health and Human Services (DHHS) and the Government Accounting Office (GAO) to:

Evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed; and Inspect and audit any financial records of such Contractor or subcontractor.

Subcontracting for Medicaid Services: Having a subcontract does not terminate the Contractor, receiving funds under Vermont's Medicaid program, from its responsibility to ensure that all activities under this agreement are carried out. Subcontracts must specify the activities and reporting responsibilities of the Contractor or subcontractor and provide for revoking delegation or imposing other sanctions if the Contractor or subcontractor's performance is inadequate. The Contractor agrees to make available upon request to the Agency of Human Services; the Department of Vermont Health Access; the Department of Disabilities, Aging and Independent Living; and the Center for Medicare and Medicaid Services (CMS) all contracts and subcontracts between the Contractor and service providers.

Medicaid Notification of Termination Requirements: Any Contractor accessing payments for services under the Global Commitment to Health Waiver and Medicaid programs who terminates their practice will follow the Department of Vermont Health Access, Managed Care Organization enrollee notification requirements.

Encounter Data: Any Contractor accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid programs must provide encounter data to the Agency of Human Services and/or its departments and ensure that it can be linked to enrollee eligibility files maintained by the State.

Federal Medicaid System Security Requirements Compliance: All contractors and subcontractors must provide a security plan, risk assessment, and security controls review document within three months of the start date of this agreement (and update it annually thereafter) to support audit compliance with 45CFR95.621 subpart F, *ADP (Automated Data Processing) System Security Requirements and Review Process*.

**4. Non-discrimination Based on National Origin as evidenced by Limited English Proficiency.**

The Contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, which require that contractors and subcontractors receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the Contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with



this requirement, such individuals cannot be required to pay for such services.

5. **Voter Registration.** When designated by the Secretary of State, the Contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.
6. **Drug Free Workplace Act.** The Contractor will assure a drug-free workplace in accordance with 45 CFR Part 76.
7. **Privacy and Security Standards.**

**Protected Health Information:** The Contractor shall maintain the privacy and security of all individually identifiable health information acquired by or provided to it as a part of the performance of this contract. The Contractor shall follow federal and state law relating to privacy and security of individually identifiable health information as applicable, including the Health Insurance Portability and Accountability Act (HIPAA) and its federal regulations.

**Substance Abuse Treatment Information:** The confidentiality of any alcohol and drug abuse treatment information acquired by or provided to the Contractor or subcontractor shall be maintained in compliance with any applicable state or federal laws or regulations and specifically set out in 42 CFR Part 2.

**Other Confidential Consumer Information:** The Contractor agrees to comply with the requirements of AHS Rule No. 08-048 concerning access to information. The Contractor agrees to comply with any applicable Vermont State Statute, including but not limited to 12 VSA §1612 and any applicable Board of Health confidentiality regulations. The Contractor shall ensure that all of its employees and subcontractors performing services under this agreement understand the sensitive nature of the information that they may have access to and sign an affirmation of understanding regarding the information's confidential and non-public nature.

**Social Security numbers:** The Contractor agrees to comply with all applicable Vermont State Statutes to assure protection and security of personal information, including protection from identity theft as outlined in Title 9, Vermont Statutes Annotated, Ch. 62.

8. **Abuse Registry.** The Contractor agrees not to employ any individual, use any volunteer, or otherwise provide reimbursement to any individual in the performance of services connected with this agreement, who provides care, custody, treatment, transportation, or supervision to children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The Contractor will check the Adult Abuse Registry in the Department of Disabilities, Aging and Independent Living. Unless the Contractor holds a valid child care license or registration from the Division of Child Development, Department for Children and Families, the Contractor shall also check the Central Child Protection Registry. (See 33 V.S.A. §4919(a) (3) & 33 V.S.A. §6911(c) (3)).
9. **Reporting of Abuse, Neglect, or Exploitation.** Consistent with provisions of 33 V.S.A. §4913(a) and §6903, any agent or employee of a Contractor who, in the performance of services connected with this agreement, has contact with clients or is a caregiver and who has reasonable cause to believe that a child or vulnerable adult has been abused or neglected as defined in Chapter 49 or



abused, neglected, or exploited as defined in Chapter 69 of Title 33 V.S.A. shall make a report involving children to the Commissioner of the Department for Children and Families within 24 hours or a report involving vulnerable adults to the Division of Licensing and Protection at the Department of Disabilities, Aging, and Independent Living within 48 hours. This requirement applies except in those instances where particular roles and functions are exempt from reporting under state and federal law. Reports involving children shall contain the information required by 33 V.S.A. §4914. Reports involving vulnerable adults shall contain the information required by 33 V.S.A. §6904. The Contractor will ensure that its agents or employees receive training on the reporting of abuse or neglect to children and abuse, neglect or exploitation of vulnerable adults.

10. **Intellectual Property/Work Product Ownership.** All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement - including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement - or are a result of the services required under this grant - shall be considered "work for hire" and remain the property of the State of Vermont, regardless of the state of completion - unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and / or source codes first developed for the State, all the work shall be considered "work for hire," i.e., the State, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

The Contractor shall not sell or copyright a work product or item produced under this agreement without explicit permission from the State.

If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor's materials.

11. **Security and Data Transfers.** The State shall work with the Contractor to ensure compliance with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State will advise the Contractor of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and will work with the Contractor to implement any required.

The Contractor will ensure the physical and data security associated with computer equipment - including desktops, notebooks, and other portable devices - used in connection with this agreement. The Contractor will also assure that any media or mechanism used to store or transfer data to or from the State includes industry standard security mechanisms such as continually up-to-date malware protection and encryption. The Contractor will make every reasonable effort to ensure media or data files transferred to the State are virus and spyware free. At the conclusion of this agreement and after successful delivery of the data to the State, the Contractor shall securely delete data (including archival backups) from the Contractor's equipment that contains individually identifiable records, in accordance with standards adopted by the Agency of Human Services.

12. **Computing and Communication:** The Contractor shall select, in consultation with the Agency of Human Services' Information Technology unit, one of the approved methods for secure access to the State's systems and data, if required. Approved methods are based on the type of work



performed by the Contractor as part of this agreement. Options include, but are not limited to:

1. Contractor's provision of certified computing equipment, peripherals and mobile devices, on a separate Contractor's network with separate internet access. The Agency of Human Services' accounts may or may not be provided.
2. State supplied and managed equipment and accounts to access state applications and data, including State issued active directory accounts and application specific accounts, which follow the National Institutes of Standards and Technology (NIST) security and the Health Insurance Portability & Accountability Act (HIPAA) standards
13. **Lobbying.** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.
14. **Non-discrimination.** The Contractor will prohibit discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, or on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. No person shall on the grounds of sex (including, in the case of a woman, on the grounds that the woman is pregnant) or on the grounds of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by state and/or federal funds.

The Contractor will also not refuse, withhold from or deny to any person the benefit of services, facilities, goods, privileges, advantages, or benefits of public accommodation on the basis of disability, race, creed, color, national origin, marital status, sex, sexual orientation or gender identity under Title 9 V.S.A. Chapter 139.

15. **Environmental Tobacco Smoke.** Public Law 103-227, also known as the Pro-children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, child care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds.

The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.



**STATE OF VERMONT  
AMENDMENT TO PERSONAL SERVICES CONTRACT  
CATAMARAN PBM OF MASSACHUSETTS, INC.**

**PAGE 25 OF 25  
CONTRACT # 9097  
AMENDMENT #6**

Contractors are prohibited from promoting the use of tobacco products for all clients. Facilities supported by state and federal funds are prohibited from making tobacco products available to minors.

*Attachment F - Revised AHS -12/10/10*

This amendment consists of 25 pages. Except as modified by this amendment and any previous amendments, all provisions of this contract, (#9097) dated November 1, 2005 shall remain unchanged and in full force and effect.


**STATE OF VERMONT  
DEPARTMENT OF VERMONT HEALTH ACCESS**

**CONTRACTOR  
CATAMARAN PBM OF MASSACHUSETTS, INC**

 E-SIGNED by Mark Larson  
on 2012-Dec-19

MARK LARSON, COMMISSIONER

DATE

 E-SIGNED by Jeff Park  
on 2012-Dec-19

JEFF PARK, CFO

DATE